

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WILLIAM D. EPLING)	
)	
COMPLAINANT)	
v.)	CASE NO. 97-087
)	
CLARK COUNTY RURAL ELECTRIC)	
COOPERATIVE CORPORATION)	
)	
DEFENDANT)	

O R D E R

On February 20, 1997, William Epling filed a formal complaint against Clark County Rural Electric Cooperative Corporation ("Clark RECC") requesting: 1) a return of his \$150 service deposit; 2) the relocation of a neighbor's service line which crosses his property; 3) revisions to Clark RECC's rules of service to include specific criteria for determining when a customer is a bad credit risk; 4) a late payment charge to be paid by Clark RECC when a deposit is not returned in a timely manner; and 5) restriction of Clark RECC to the use of dedicated easements when it is reasonably feasible to do so.

Clark RECC responded to the complaint by stating that Mr. Epling's deposit had previously been recalculated, resulting in a \$55.57 credit to his account on January 24, 1997. To resolve any further questions regarding this deposit, Clark RECC indicated that the remaining \$95 plus any accrued interest would be credited to Mr. Epling. Further, Clark RECC denied the need to revise its rules or to pay late charges, and stated that while dedicated easements are used when economically feasible, on occasion it is necessary to extend service across other customers' property.

Commission regulation 807 KAR 5:006, Section 7, authorizes utilities to require customers to pay deposits to secure payment of bills and authorizes utilities to waive a deposit upon a customer's showing of satisfactory credit and payment history. The regulation also requires utilities to notify customers that they can request recalculation of their deposits at 18 month intervals.

Clark RECC's deposit tariff, P.S.C. No. 4, Sheet Nos. 37 and 38, conforms to the above-referenced regulation and further provides that deposits will be refunded after 18 months "if the member has established a satisfactory payment record for that period." In response to a Commission request for information, Clark RECC filed a billing history for Mr. Epling's account since his service was connected on April 12, 1994. That billing history shows Mr. Epling's account to have been delinquent when charges were not paid when due on July 25, 1995, January 23, 1996, February 20, 1996, April 21, 1996, and October 23, 1996.

Clark RECC stated that Mr. Epling had not established a satisfactory payment record due to his failure to pay his account when due for an 18 month period. Thus, he was not entitled to a return of his deposit. The deposit has now been refunded in full by Clark RECC in an effort to avoid what would be higher costs to appear at a hearing before the Commission. Mr. Epling filed detailed responses to Clark RECC's answer and response to information request.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that a hearing is not necessary, in the public interest or for the protection of substantial rights. Clark RECC properly complied with its deposit tariff as well as 807 KAR 5:006, Section 7. Mr. Epling's payment record was not satisfactory and he was not

entitled to a return of his deposit. However, since Clark RECC has returned his deposit in full with interest, the relief Mr. Epling requests is now moot.

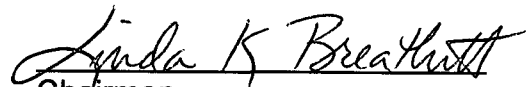
Clark RECC's deposit tariff mirrors those of numerous other electric utilities to the extent that it provides for the return of a deposit when the customer has established a satisfactory payment record. Late payments are the antithesis of a satisfactory payment record. There is no justification or necessity to revise Clark RECC's deposit tariff to include specific criteria for determining when a customer is a bad credit risk. In addition, Clark RECC and every other utility under the Commission's jurisdiction is required to pay interest on monies held as deposits. Thus, the customers are compensated for the use of their funds and there is no basis to require a late payment charge to be paid by the utility.

The Commission further finds that Clark RECC and all other utilities under its jurisdiction should utilize dedicated easements when it is economically feasible and in conformity with good engineering practices and applicable codes. However, in this case Clark RECC does have an easement over Mr. Epling's property for the extensions of service to neighboring property and there are no allegations that the extensions were run in an unsafe or uneconomic manner. Under these circumstances there is no basis to require Clark RECC to relocate the service extensions at issue here.

IT IS THEREFORE ORDERED that this case is dismissed with prejudice.

Done at Frankfort, Kentucky, this 9th day of June, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director